

**1     Introductions**

*Cory LaVigne (LAVTA, Chair)* requested introductions from the attendees.

**2     Approval of the March 2007 Minutes**

*Cory LaVigne (LAVTA, Chair)* asked for approval of the March 7, 2007 meeting minutes. Comments were made by the City of Santa Rosa representative and the Group approved the minutes through consensus.

**3     Regional Measure 2 Operating Funding FY 2007-08**

*Christina Verdin (MTC)* provided an overview of the Regional Measure 2 (RM2) Operating Funding Application changes as part of TDA and demonstrated how to complete the form(s).

**4     2007 TIP Amendment Schedule & Update**

*Anne Richman (MTC)* reported that the SAFETEA compliant TIP Amendment 07-06 has opened for public comment; the deadline to submit changes and comments is April 25, 2007. Group members pointed out that programming outside the four years is not showing up in the posted report. **Follow-Up:** *It was determined that there was an error in the posted report, the error has been fixed and the report has been reposted.*

**5     FY 2006-07 FTA Appropriations and Program Impacts**

*Glen Tepke (MTC)* provided an overview of the FY 2006-07 FTA apportionments and program impacts, and explained what MTC did to reconcile the shortfall in the SFO urbanized area. The shortfall was addressed by Golden Gate Transit's voluntary deferral of its \$10.4 million ferry replacement project. Glen added that since there has been a significant gap between MTC's revenue estimate and the apportionment for the past two years, MTC staff is anticipating a greater shortfall in FY 2007-08 which may result in the need to redistribute the program among UAs and to make program reductions to address the shortfall; preliminary estimates amount to \$25-35M. Glen reported that the annual Program of Projects (POP) TIP amendment (#07-08) is currently in Public Comment. **Follow-Up:** *The deadline to submit program changes for POP TIP Amendment 07-08 is April 25, 2007.*

Glen reported that earmarks authorized in SAFETEA were all funded but no other earmarks were proposed; therefore, for those programs typically earmarked entirely, the FTA and FHWA are conducting some Discretionary Grant Programs. The Federal Register noted that only the designated recipient of 5307 funds (MTC) is eligible to apply for the Discretionary Grant Programs. The Group expressed interest in forming a subcommittee to discuss the deadlines and requirements for the Bus and Bus Facility Discretionary Program, Cory and Glen will set up a meeting. The deadline for MTC to submit proposals to FTA for the Discretionary Programs is May 22, 2007. **Follow-Up:** *MTC issued a Call for Projects for the 5309 Bus Discretionary Program on April 13.*

Anne Richman (MTC) reported on the Urban Partnership Program (UPP), stating that the Department of Transportation (DOT) is proposing to make available nearly \$1B in funds. MTC Planning staff is taking the lead and is working with the Transit Operators and CMAs to compile a package proposal for the UPP, which is mostly related to freeways with some possible transit elements. Marcella Rensi (VTA) informed the Group that eligibility for 5309 and Ferry Boat discretionary still applies; the UPP focuses more on Congestion Pricing. The Group requested including discussion about the Urban Partnerships at the Discretionary Programs meeting.

The apportionments Federal Register notice also confirmed, with the exception of state planning set-aside funds, transfers from FHWA to FTA need to be in a separate grant for tracking purposes starting with this fiscal year. Previously, an operator could include a CMAQ or STP line item in its 5307 grant, for example.

**6     Proposition 1B: Revenue-based Distribution Options**

*Theresa Romell (MTC)* briefed the group on the Proposition 1B Transit Funding subcommittee meeting. The sub-committee of the Transit Finance Working Group met again on April 4 in the hope that they could come to a consensus on a regional proposal for how the revenue based transit bond funding should be distributed. Among those operators that attended, the opinions were unanimous that the region should

advocate for the funds to be distributed based on shares that are fixed or "locked-in" for the entire 10-years. Preferably, the distribution basis would be the final revenue factors for FY 2005, which would bring the region the most funding. Even if we were only successful in getting the shares locked in at the most recent factors, there was still agreement that the shares should be locked in and not annually or periodically adjusted to conform with the current factors in use for the STA program.

The TFWG members were in general agreement to go ahead with advocating as a region for the fixed distribution method provided that the argument against it be stated for the record: The argument against the proposal was that locking in the distribution factors could be detrimental to those operators that have the opportunity to increase their share of the bond funding through service growth and/or the increase of their qualifying revenues (sales taxes, etc.).

The transit operators requested lobbying to have the bulk of the transit bond funding be made available as soon as possible (front loaded), rather than have it spread out more or less evenly over the full 10-year period.

Below is how various operators weighed in on the matter:

Present at sub-committee meeting:

AC Transit – Fixed

ECCTA - Fixed

BART - Fixed

MUNI – Fixed

CCCTA - Fixed

Present at TFWG meeting:

Caltrain / Samtrans - No opinion given

VTa - No opinion given

GGBHTD - No opinion given

City of Santa Rosa – Apprehensive but with consensus

LAVTA - Opposed

**7 Draft Proposal for Proposition 1B Population-Based Transit Funding**

*Anne Richman (MTC)* distributed a summary of the comments received relative to the Proposition 1B Population-Based Transit Funding Draft Proposal. Anne highlighted the three main areas of comments received included 1) Lifeline, 2) Urban Core Projects, and 3) Small Operator/Northern County share. The proposal will be discussed at the Partnership Board meeting on April 10.

Group members requested that comments discussed at the meeting be included in the presentation to the Partnership Board: The Group expressed concern that the Lifeline definition, as proposed, does not accurately reflect Lifeline's original definition. Concerns were raised about the 1:1 match and how the match would come from operating revenue that would otherwise be used to provide service to areas of concerns and other areas that are without services. Operators commented that since the funds were not included in MTC's RTP, they should not be financially constrained. A general concern was that the CMAs are advocating programming the funds to pay off other program shortfalls. Group members expressed displeasure with the short timeline prior to adoption, stating that it is not enough time to truly address comments and/or concerns.

**8 Regional Transit Capital Inventory Update**

*Glen Tepke (MTC)* reported on the draft final report. Glen pointed out key items, including: Recommended Asset Classification System (ACS) and Summary of Key Action Items for Tier 1 Operators. Glen added that consultants also distributed the final individual operator reports, which go into more detail about the action items. Comments about the ACS will be heard at the Regional Transit Capital Inventory Working Group (RTCI WG) meeting. Concerns were raised about the comments already submitted yet were not reflected in the final draft. Glen responded, stating the final draft was already drawn up prior to receipt of those comments.

The ACS will be presented to the Partnership Board on April 10 as part of the 2009 RTP Process presentation. The Call for Data for the 2009 RTP will go out this month with a deadline of June to respond. MTC is asking operators to submit their capital assets following the recommended ACS. MTC intends to use the ACS as the basis for requesting data for the 2009 RTP projections, which must be completed by September. The Working Group formally requested an extension to get acquainted with the

new process and submit the data. Anne Richman (MTC) reminded the WG that PTAC is the primary forum for the 2009 RTP and encouraged operator representatives to attend.

**9 Third Cycle SAFETEA STP/CMAQ Program Funding Proposals**

*Glen Tepke (MTC)* briefed the WG on the proposed Third Cycle funding investments that is to be presented at the May session of the Programming and Allocations Committee. Third cycle includes \$300 million in STP/CMAQ investments. There were two outstanding issues noted at the time of Third Cycle policy adoption, 1) Planning Funds and 2) Transit Capital Shortfall. MTC staff is proposing to follow a similar framework for the Transit Capital Shortfall element as agreed to for the Second Cycle, which directed the bulk of the funds to the BART car replacement project. Due to the timeline for the operators to begin Zero Emission Bus (ZEB) procurement, approximately \$5 million has been included in the proposal to allow the operators to begin procurements now to ensure Bay Area compliance with CARB rules.

**10 Transit Meeting on 2009 Regional Transportation Plan**

*Cory LaVigne (LAVTA)* briefed the group on the 2009 Regional Transportation Plan (RTP) Transit Planners Meeting held on March 19, 2007. The next meeting is scheduled for April 4 at 9:30 a.m. in the MetroCenter Room 171. Cory encouraged all operators to forward this information to their planning staff. Questions regarding the session can be directed to Cory at [clavigne@lavta.org](mailto:clavigne@lavta.org).

**INFORMATION ITEMS / OTHER ITEMS OF BUSINESS:**

**11 Transit Passenger Demographic Survey**

*Marc Roddin (MTC)* distributed the Draft Phase 1 Transit Demographic Survey Tabulations; the tabulations are to be cross-tabbed and the final Phase I report is expected to be completed by the end of April. Phase 2 Field Work is scheduled to begin and data collection for the Phase 2 pilot survey will begin on April 12.

**12 Regional Measure 2 Audit Update**

*Christina Verdin (MTC)* provided an update on the Regional Measure 2 (RM2) Audit. In response to comments received from the transit operators, future RM2 audits will reflect more substantive findings. MTC Finance staff echoed concerns from the transit operators about the audit schedule and costs and will evaluate the auditor's time with the funds allocated through RM2. Further comments and/or questions relating to the audit should be directed to Brian Mayhew (MTC) at [bmayhew@mtc.ca.gov](mailto:bmayhew@mtc.ca.gov) or Eva Sun (MTC) at [esun@mtc.ca.gov](mailto:esun@mtc.ca.gov). The Group requested that this item be agendaized as soon as details of the audit are proposed next year.

**13 AC Transit Bus Early Retirement/Replacement Proposal**

*Glen Tepke (MTC)* reported that AC Transit has requested \$3.1 million in funding to early retire 16 model year-2000 NABI buses and replace them with 16 Van Hool buses. Because the Van Hool buses are not eligible for FTA funding, the proposal would require a funding swap. The proposal is being programmed into the POP Amendment (07-08) and is being flagged in the item going to PAC on April 11.

The Group expressed their displeasure with the lack of discussion on this proposal and particularly about the lack of clarification as to how this impacts the region. The Group agreed that though the financial implications of this project are positive to the region, the policy implications merit more discussion.

**14 Recommended Future Agenda Items**

Proposition 1B Transit Funding  
FTA Section 5309 Bus Discretionary Program  
FTA Grant Procedures for Flex Funds

**Next Transit Finance Working Group Meeting:**

Wednesday, May 2, 2007

10:00 a.m. – 12:00 p.m.

MTC MetroCenter, Fishbowl Conference Room